

ORIGINAL

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MEMORANDUM

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2003 MAY -8 A 10: 37

TO: Docket Control
Arizona Corporation Commission

AZ CORP COMMISSION
DOCUMENT CONTROL

FROM: Patrick C. Williams *PCW*
Manager, Compliance and Enforcement
Utilities Division

DATE: May 8, 2003

RE: ASC TELECOM, INC., DBA ALTERNATEL, DOCKET NO. T-03044A-95-0461,
DECISION NO. 63997

On March 27, 2003, Staff docketed a copy of a letter indicating the Certificate of Convenience and Necessity (Certificate) for the above referenced company was void for its failure to comply with a provision of Decision No. 63997. Staff has located a document that indicates compliance for this item was filed with Staff on February 24, 2003, prior to the due date. I am attaching a copy of this document. Even though the document was not filed in Docket Control, compliance has still been met, therefore, the Certificate for this Company should be valid. Please remove this Company from your inactive list. I am attaching a memorandum to Docket that indicates compliance has been met.

Originator: Patrick C. Williams

Attachment: Eleven copies

Arizona Corporation Commission


DOCKETED

MAY 08 2003

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**COMPLIANCE
MEMORANDUM**

TO: Docket Control Center

FROM: Patrick C. Williams 
Manager, Compliance and Enforcement
Utilities Division

DATE: May 08, 2003

This Memorandum to the Docket will certify that compliance, as described below, has been met for the referenced utility.

UTILITY: AlternaTel

DOCKET NO. T-03044A-95-0461 **DECISION NO.** 63997

COMPLIANCE ACTION:

Certificate subject to the Company filing in Docket Control the following FVRB information within 18 months of the date it first provides service following certification. The FVRB shall include a dollar amount representing the total revenue for the first twelve months of telecommunications service provided to Arizona customers following certification. The Company shall also file FVRB information detailing the total actual operating expenses for the first twelve months of telecommunications service provided to Arizona customers by the Company following certification. The Company shall also file FVRB information which includes a description and value of all assets, including plant, equipment, and office supplies, used to provide telecommunications service to Arizona customers for the first twelve months following the Company's certification. The Company's failure to meet the condition to timely file sufficient information for a fair value finding and analysis and recommendation of permanent tariffs shall result in the expiration of the Certificate of Convenience and Necessity and the tariffs.

DUE DATE: 2/28/2003 **DATE COMPLIED:** 2/24/2003



Karine M. Hellwig
Staff Manager
Regulatory Reporting

Sprint Regulatory Reporting
Mailstop: KSOPHT0101-Z2400
6391 Sprint Parkway
Overland Park, Kansas 66251-2400
Tel. (913) 315-3763
Fax (913) 315-3303

February 21, 2003

Patrick C. Williams
Arizona Corporation Commission
Utilities Division
1200 West Washington Street
Phoenix, AZ 85007



RE: Company: AlternaTel
Docket: T-03044A-95-0461
Decision No. 63997

Attached are the financial statements for ASC Telecom, Inc. (dba AlternaTel) for the period ending 12 months after the issuance of a CCN by the Arizona Corporation Commission. The financial information contained in this report is proprietary and commercially sensitive. Therefore, it is requested that it be treated in a confidential manner.

If you have any questions concerning the enclosed information, please contact Al Clark at (913) 315-4277 or at the address shown above.

Sincerely,

Karine M. Hellwig

Enclosure

ASC TELECOM, INC.
BALANCE SHEET
(Unaudited)
(in thousands)

ASSETS	August 31, 2002	LIABILITIES & OWNERS' EQUITY	August 31, 2002
Current Assets		Current Liabilities	\$ -
Cash and temporary investments	10	Current Maturities of LT Debt	-
Trade Accounts Receivable	10,042	Notes Payable	(5,971)
Less allowance for doubtful accounts	6,312	Accrued Interconnection	860
Net Trade Accounts Receivable	16,354	Due to Affiliates	-
Notes and other Receivables	-	Accrued Taxes	(3,039)
Total Receivables	16,354	Other Current Liabilities	(227)
		Total Current Liabilities	(8,377)
Due from Affiliates	79,369		
Prepaid Expenses	-	Noncurrent Liabilities	
Inventories	1,693	Long Term Debt	-
Other Current Assets	-	Deferred Taxes	6,344
Total Current Assets	97,426	Other Long Term Liabilities	-
		Total Noncurrent Liabilities	6,344
Property, Plant and Equipment			
Property, Plant and Equipment	-	Total Liabilities	(2,033)
Less: Accumulated Depreciation	-		
Subtotal	-	Owners' Equity	99,459
Construction Work-In-Progress	-		
Total PP&E	-		
Other Assets			
Intangibles, net	-		
Other Assets	-		
Total Other Assets	-		
Total Assets	\$ 97,426	Total Liabilities & Equity	\$ 97,426

*ASC Telecom, Inc. does not maintain state specific financial statements. The Balance Sheet presented on this schedule represents financial data for all operations in all states. ASC Telecom, Inc. is a national company and the assets in any state can be used to service customers in any state.

ASC TELECOM, INC.
STATEMENT OF OPERATIONS
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2002
(UNAUDITED)
(in thousands)

	<u>Total Company</u>	<u>AZ Factor</u>	<u>AZ Total (1)</u>
Net Operating Revenue	66,433	0.01078	716
Operating Expenses			
Interconnection	1,497	0.01078	16
Cost of Service	43,335	0.01078	467
Sales and Marketing	1,133	0.01078	12
General and Administrative	2,905	0.01078	31
Total Operating Expenses	<u>48,870</u>		<u>526</u>
Operating Income	17,563		190
Non-Operating Revenue (Expense)	1,830	0.01078	20
Taxes	6,996	0.01078	75
Net Income	<u><u>12,397</u></u>		<u><u>135</u></u>

(1) ASC Telecom, Inc. does not maintain state specific financial statements. Discrete state operating results are derived using a factor generated through dividing state specific billed gross revenues by total Company billed gross revenues.

Billable Gross Revenue (Intrastate & Interstate)	658,367	
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Total Billable Gross Revenue	61,100,587	0.01078

COPY

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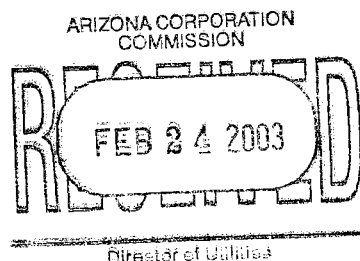


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